

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN CHRISTINE KAUFMANN**, on January 28,
2005 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Christine Kaufmann, Chairman (D)
Sen. Dan Weinberg, Vice Chairman (D)
Sen. John Cobb (R)
Rep. Joey Jayne (D)
Sen. Greg Lind (D)
Rep. Penny Morgan (R)

Members Excused: Rep. Walter McNutt (R)

Members Absent: None.

Staff Present: Pat Gervais, Legislative Branch
Laura Good, Committee Secretary
Lois Steinbeck, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Executive Action: Quality Assurance Division

CHAIR REP. CHRISTINE KAUFMANN, HD 81, HELENA, called the meeting to order.

Ms. Mary Dalton, Administrator, Quality Assurance Division (QAD), continued the QAD overview, covering Slides 33 through 36.

Ms. Dalton promised **REP. PENNY MORGAN, HD 57, BILLINGS,** that she would provide the Committee with information regarding whether or not there are enough child care service slots for all of the children who are eligible for State-funded child care.

Ms. Dalton discussed Slide 37, Childcare Licensure Complaint Inspections Performed.

Responding to **SEN. DAN WEINBERG, SD 2, WHITEFISH, Ms. Dalton** stated that the primary complaints are allegations of non-licensure, lack of child supervision, sexual or physical abuse, or lack of adequate nutrition. **Ms. Dalton** also stated that all licensed child care providers and their employees receive name checks through the Department of Justice.

{Tape: 1; Side: A; Approx. Time Counter: 9}

Replying to **REP. MORGAN** and **SEN. JOHN COBB, SD 9, AUGUSTA, Ms. Dalton** stated that QAD child care licensure inspections are conducted every one-to-three years, depending on the number of deficiencies incurred during previous licensure inspections. She also noted that all inspections are unannounced, and that most have five or more deficiencies. Typical deficiencies include lack of immunization records and parental releases, shortfalls in nutrition, and inadequate or unsafe spaces.

Ms. Dalton told the Committee that if a center incurs serious deficiencies, the provider must provide QAD with a plan of action regarding improvement.

Ms. Dalton continued with Slides 39 through 44.

{Tape: 1; Side: A; Approx. Time Counter: 19.8}

Ms. Steinbeck noted that according to a legislative staff legal opinion requested by the Legislative Fiscal Division (LFD), QAD's use of State special revenue alcohol tax funds is illegal. She suggested that the Committee may want to address related statute.

Ms. Dalton discussed Slides 45 through 47.

Prompted by **REP. JOEY JAYNE, HD 15, ARLEE, Ms. Dalton** discussed the role and work of Child Care Referral and Resource Centers, stating that they work under contracts with QAD and the Human and Community Services Division (HCSD), but are not a part of either

division. She also noted that because they do not provide care, the centers are not required to be licensed.

When questioned by **SEN. COBB** regarding staffing issues and QAD's ability to catch serious child care center problems, **Ms. Dalton** stated that QAD is most at risk of missing deficiencies at the smallest facilities, which have fewer visitors, staff, and others who might notice and report problems prior to a QAD inspection.

{Tape: 1; Side: B}

Responding to **REP. JAYNE, Mr. Roy Kemp, Licensing Bureau Chief, QAD**, said that family members who provide child care are referred to as legally unregistered providers.

Ms. Dalton described the Certificate of Need concept and process, its historic Federal subsidy and current usage.

Responding to **SEN. GREG LIND, SD 50, MISSOULA, Ms. Dalton** stated that Certificates of Need are no longer effective or widely used.

Ms. Dalton returned to the overview, discussing Slides 48 through 51.

Prompted by **CHAIR KAUFMANN, Ms. Dalton** discussed and commented on the Montana State Hospital's (MSH) ongoing licensure issues.

Ms. Dalton discussed Slides 52 and 53.

Replying to **SEN. COBB, Ms. Dalton** stated that allegations of abuse are reported to QAD following an investigation by the facility itself. **Ms. Dalton** explained that QAD cannot investigate these allegations, but that the allegations are figured into QAD licensure inspection decisions.

{Tape: 1; Side: B; Approx. Time Counter: 18.1}

Ms. Dalton discussed Slides 54 and 55.

Responding to **SEN. WEINBERG, Ms. Marjorie Vander Aarde, Bureau Chief, Licensure**, stated that in an instance of a severe allegation or shoddy facility investigation, QAD may conduct its own investigation. She expressed her confidence that QAD provides adequate oversight in this area.

Prompted by **CHAIR KAUFMANN, Ms. Dalton** told the Committee that combining the licensing and certification bureaus would not lead to more efficiency. She noted that the two bureaus were unified until 1990 when they were divided.

Ms. Dalton discussed Slide 55.

{Tape: 2; Side: A}

At the request of **SEN. COBB, Ms. Dalton** stated that QAD enforcement measures can deny Medicaid or Medicare payments to a nursing facility that does not comply with QAD standards.

Ms. Dalton introduced and began an overview of the Surveillance Utilization Review Section (SURS). She also noted most recent and upcoming SURS reviews and audits.

Ms. Nan LeFebvre, Bureau Chief, Program Compliance Bureau, oversees SURS. She provided and discussed a handout on the SURS Review Process.

[EXHIBIT\(jhh22a01\)](#)

{Tape: 2; Side: A; Approx. Time Counter: 12.2}

Responding to **REP. JAYNE, Ms. LeFebvre** explained that the Centers for Medicare and Medicaid Services allow a provider to recover funds at a repayment rate lower than the original reimbursement, per the specifics of a DPHHS settlement.

Replying to **SEN. LIND, Ms. LeFebvre** stated that the duration of time between the SURS review, provider notification and a repayment demand letter varies, depending on the type of review. She provided further details about the review process.

Ms. LeFebvre provided and discussed documents pertinent to Ms. Marsha Kirschner's SURS review case, which was discussed earlier in public testimony.

[EXHIBIT\(jhh22a02\)](#)

At the request of **SEN. WEINBERG, Ms. LeFebvre** directed the Committee to Slide 25, which discusses the amount of money that SURS recovers annually. She also said that lawyers enter the dispute during the administrative review process, the fair hearing, or district court.

Prompted by **REP. MORGAN, Ms. LeFebvre** stated that in these proceedings QAD uses its internal legal counsel, which is paid by a combination of State and Federal funds.

SEN. COBB asked what the legislature can do to help providers avoid overpayment and SURS reviews.

{Tape: 2; Side: A; Approx. Time Counter: 26.2}

Ms. Dalton did not offer ways in which legislators could improve this process, but stated that a proposed division initiative would involve mounting a QAD investigation of applicable providers within six months of a rule or code change.

CHAIR KAUFMANN proposed that the Committee rearrange Full-Time Equivalents (FTEs) and add more to education and training, a measure of which **Ms. Dalton** approved.

SEN. LIND discussed the Current Procedural Technology (CPT) Code Book from a provider standpoint, stating that codes and application of such codes change unfairly and without notice.

Ms. Dalton agreed.

{Tape: 2; Side: B}

Ms. Dalton further discussed code changes and provider notification.

Responding to **REP. JAYNE, Ms. Dalton** stated that all Medicaid Utilization Review Committee (MURC) members are Department of Public Health and Human Services (DPHHS) representatives, and that it would be extremely awkward and difficult to coordinate the addition of a physician.

Prompted by **REP. JAYNE's** follow-up questions, **Ms. Dalton** told the Committee that Fair Hearing Officers are employees of the QAD Office of Fair Hearing. She stated that they are charged with making an independent decision, free of undue DPHHS influence.

Ms. Dalton went on to affirm that it is possible to include a non-DPHHS employee among Fair Hearing officers, and discussed the process undertaken in such instances. In the context of **Ms. Kirschner's** case, **Ms. Dalton** described the differences between Administrative Review and Fair Hearing.

{Tape: 2; Side: B; Approx. Time Counter: 11.2}

REP. JAYNE asked **Ms. Dalton** why the provider was not notified of non-compliance for three to four years, and then given only ten days to respond to initial notice. Responding to the latter portion of **REP. JAYNE's** question, **Ms. Dalton** stated that in some situations it takes a great deal of time to adjudicate cases, so QAD has difficulty immediately catching new instances of non-compliance. She also stated that the 10 day reply request deals with the provider's initial reply, and that providers are given appropriate time to gather and prepare information needed for non-compliance investigations.

{Tape: 2; Side: B; Approx. Time Counter: 12.5}

Prompted by **REP. MORGAN**, **Ms. Dalton** reported that 50% of administrative cases are adjudicated in favor of the Department, and 50% of those cases in favor of the provider. She also stated that during Fair Hearings, the statistics stand at 90% for the Department and 10% for the provider.

Dr. Robert Wynia, Director, DPHHS, discussed his personal experience with a QAD code investigation in 1993.

Following a brief break, **CHAIR KAUFMANN** reconvened the Committee.

Ms. Dalton discussed the Fair Hearing appeals process.

EXECUTIVE ACTION ON QUALITY ASSURANCE DIVISION

Ms. Steinbeck provided the Committee with a handout on QAD Decision Packages, and directed the Committee to the QAD portion of the Budget Analysis on Page B-114.

EXHIBIT(jhh22a03)

QAD DP 9999 - Statewide Full-Time Equivalent (FTE) Reduction

Motion/Vote: **REP. MORGAN** moved that QAD DP 9999 BE ADOPTED.
Motion carried 6-1 by voice vote with REP. KAUFMANN voting no.
REP. MCNUTT voted by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 18.6}

QAD DP 3210 - Medical Marijuana Act

Motion: **SEN. LIND** moved that QAD DP 3210 BE ADOPTED.

Discussion:

SEN. LIND asked if QAD will reduce the medical marijuana registry fee as registry numbers increase and overhead costs decrease.

Ms. Dalton confirmed that if overhead costs decrease, the medical marijuana registry fee will decrease.

SEN. WEINBERG suggested that the Committee restrict QAD DP 3210.

Ms. Steinbeck discussed reasons why restricting this DP might be an inefficient action.

{Tape: 2; Side: B; Approx. Time Counter: 21.7}

SEN. COBB voiced his interest in adding reporting language.

Substitute Motion: **SEN. LIND made a substitute motion that QAD DP 3210, WITH REPORTING LANGUAGE, BE ADOPTED.**

Responding to **REP. JAYNE**, **Ms. Steinbeck** discussed ways in which the Committee might issue a directive to QAD, requiring them to decrease the medical marijuana registry fee as the program's overhead costs decrease.

Ms. Dalton noted that QAD is required to provide the legislature with an annual report regarding the medical marijuana registry.

CHAIR KAUFMANN summarized directive matters for the Committee, suggesting that **REP. JAYNE** meet with LFD staff in order to craft the necessary amendment to statute.

Vote: Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

QAD DP 190 - Medicaid Payment Error Rate Measurement

Ms. Steinbeck provided and discussed a handout entitled, "Net Cost of Decision Packages That Add Staff and Decrease Service Costs."

EXHIBIT(jhh22a04)

{Tape: 3; Side: A}

Responding to **SEN. LIND**, **Ms. Steinbeck** discussed the relationship between the discussed program's sustainability and QAD recoveries.

SEN. LIND pointed out that current structural components that stress QAD recoveries as a revenue generator.

REP. MORGAN requested that Ms. Steinbeck research the ways in which other states have dealt with this issue.

{Tape: 3; Side: A; Approx. Time Counter: 4.3}

Prompted by **SEN. LIND, Ms. Steinbeck** stated that the Payment Error Rate Measurement (PERM) rules require all states to draw the same number of claims for review. This means that Montana samples a higher percentage of claims than states with greater claims activity, and has the potential to generate a higher Sanction Error Rate, which could result in the application of federal penalties.

REP. MORGAN noted the possibility that PERM might become an unfunded federal mandate.

Responding to **CHAIR KAUFMANN, Ms. Dalton** discussed the differences between the populations reviewed under PERM and the populations reviewed under SURS.

Motion: **SEN. LIND** moved that QAD DP 190, WITH TWO FTE FOR THE FIRST YEAR AND TWO FTE FOR THE SECOND YEAR; AND REVENUE TRANSFER TO GENERAL FUND OF ANY COLLECTIONS IN EXCESS OF EXPENSES, TO BE USED TO OFFSET MEDICAID COSTS, BE ADOPTED.

SEN. LIND provided rationale for his changes to QAD DP 190.

Replying to **REP. MORGAN, Ms. Dalton** reported that her division will not be able to do its job with only two FTE.

{Tape: 3; Side: A; Approx. Time Counter: 14.8}

Mr. Chappuis offered Director's Office concerns regarding **SEN. LIND's** proposed FTE reduction, expressing that the reduction would make it difficult for QAD to meet federal requirements.

SEN. LIND responded to **Mr. Chappuis'** and **Ms. Dalton's** concerns.

Prompted by **REP. JAYNE, Ms. Dalton** discussed the difference between the PERM and SURS appeals processes.

Replying to **SEN. COBB, Ms. Steinbeck** stated that if the Committee accepts the QAD DP 190 with **SEN. LIND's** changes, the Committee would thereby accept a QAD general fund reduction of \$174,000.

Responding also to **SEN. COBB, Mr. Chappuis** reiterated the significant challenge that the altered QAD DP 190 would pose to DPHHS' overall FTE situation. He emphasized the extreme importance of full FTE funding for QAD DP 190, which is attached to a federal mandate, and again discussed possible ramifications of falling short of federal expectations.

{Tape: 3; Side: A; Approx. Time Counter: 22.6}

Ms. Steinbeck and Committee members worked to clarify the proposed changes to QAD DP 190.

SEN. LIND withdrew his motion without objection.

{Tape: 3; Side: B}

Motion: **REP. MORGAN** moved that QAD DP 190, FUNDED BY GENERAL FUND, AND WITH ANY RECOVERIES OF OVERPAYMENT DEPOSITED AS REVENUE TO THE GENERAL FUND, BE ADOPTED.

Discussion:

SEN. WEINBERG noted that unfunded Federal mandates are causing significant ire between the Committee and the Department, and presumed that this situation will only escalate as the Federal deficit grows. He asked the Department, Division, staff and members if they had any ideas about how to cultivate common ground.

Mr. Chappuis reviewed the Federal mandate, and Division and Department discussions that led to the request for eight FTE.

Responding to **CHAIR KAUFMANN, Mr. Chappuis** said that the initial QAD DP 190 FTE estimation began at 12.

Mr. Bob Andersen, Office of Budget and Program Planning, emphasized that QAD and the Department come to the Committee in a compromised position as regards these FTEs.

Mr. Chappuis suggested that the Committee make this FTE allocation One-Time-Only (OTO), allowing the Department and legislature to track the necessity and efficacy of their work.

{Tape: 3; Side: B; Approx. Time Counter: 10.3}

REP. JAYNE suggested a reconsideration of **REP. MORGAN's** motion, making it OTO and allowing recovered funds to return to the Department, not the general fund.

Mr. Chappuis offered his comments on such a proposal.

Prompted by **REP. JAYNE**, **REP. MORGAN** stated that she supports amending the motion to add a OTO stipulation and reporting language, she does not support an amendment that would alter the currently slated transfer of monies to general fund.

{Tape: 3; Side: B; Approx. Time Counter: 12.9}

REP. MORGAN withdrew her motion without objection.

Motion/Vote: **REP. MORGAN** moved that QAD DP 190, OTO, RESTRICTED, WITH REPORTING LANGUAGE, FUNDED WITH HALF STATE FUNDS AND HALF FEDERAL FUNDS, AND STIPULATING THAT RECOVERY MONIES BE TRANSFERRED TO THE GENERAL FUND, BE ADOPTED.

Discussion:

For the benefit of the Committee, **Ms. Steinbeck** expanded on several details of the motion.

REP. MORGAN restated her motion.

Vote: Motion carried 6-1 by voice vote with **SEN. WEINBERG** voting no. **REP. MCNUTT** voted by proxy.

Motion/Vote: **REP. KAUFMANN** moved that THE COMMITTEE DRAFT A RESOLUTION TO CONGRESSIONAL DELEGATION REGARDING PERM RULES, AS UNFAIR IN THEIR PENALTIES TO SMALL STATES, BE ADOPTED. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

EXECUTIVE ACTION ON FOLLOW-UP REPORT ON OFFICE OF FAIR HEARINGS DECISIONS

Motion: **SEN. COBB** moved that THE COMMITTEE REQUEST A FOLLOW-UP REPORT ON THE OFFICE OF FAIR HEARINGS DECISIONS AND ITS COMPLIANCE WITH STATUTORY TIME LINES.

{Tape: 3; Side: B; Approx. Time Counter: 21.3}

Discussion:

Ms. Steinbeck commented on impacts of the Medicare Modernization Act, particularly the effects of the Appeals and Grievance Process on the Office of Fair Hearings Decisions. She also suggested that the Committee adopt language to be included in the

narrative that accompanies HB 2, describing the concerns that the Committee advises the next legislature to review closely.

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 24.2}

EXECUTIVE ACTION ON HEALTH RESOURCES DIVISION

Ms. Steinbeck provided the Committee with a handout enumerating Health Resources Division (HRD) DPs.

EXHIBIT(jhh22a05)

CHAIR KAUFMANN stated that the Committee will first take action on non-controversial DPs, then move on to DPs covering case load estimates, and finally discuss DPs related to I-149 and other issues which by Committee request necessitate delayed action.

Ms. Steinbeck noted DPs that the Committee has already and has not yet acted on.

HRD DP 20 - Medicaid Caseload - Breast and Cervical Cancer

Motion/Vote: REP. KAUFMANN moved that HRD DP 20 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

**HRD DP 23 - Federal Medical Assistance Percentage (FMAP)
Enhancement Adjustment - Child and Adult Medicaid
HRD DP 29 - FMAP Adjustment - Child and Adult Medicaid**

Motion/Vote: SEN. WEINBERG moved that HRD DP 23 AND DP 29 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

HRD DP 57 - Transportation Contract Federal Rate Change

Responding to Ms. Steinbeck's LFD concern, **Mr. Chappuis** stated that the he did not believe that the MMA Transportation Brokerage Pilot would affect HRD DP 57.

Motion/Vote: REP. KAUFMANN moved that HRD DP 57 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

{Tape: 3; Side: B; Approx. Time Counter: 31.6}

HRD DP 60 - Rural Health Clinics/Qualified Health Centers

Prompted by **Ms. Steinbeck, Mr. Hank Hudson, Administrator, HRD**, confirmed that this DP does not take into account any caseload changes that might occur.

{Tape: 4; Side: A}

Motion/Vote: REP. JAYNE moved that HRD DP 60 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

HRD DP 67 - Foundation Contract/Acute Care

REP. MORGAN recounted her discussion with Mr. Chappuis regarding the possibility of waiving Medicaid emergency room deductibles for individuals who first discuss their medical situation with Nurse First.

Mr. Chappuis discussed the challenges of collecting Medicaid emergency room deductibles.

SEN. WEINBERG voiced his concern that Nurse First might discourage individuals who need emergency care from visiting the emergency room.

REP. MORGAN distinguished this interaction from those she was intending to encourage.

{Tape: 4; Side: A; Approx. Time Counter: 5.6}

Mr. Hunter provided HRD comments regarding the underlying reimbursement issues at hand.

Ms. Steinbeck explained to the Committee the policy issues at play in HRD DP 67, including the lack of a "medical home" for individuals within the Medicaid system.

REP. MORGAN elaborated on her rationale regarding her Nurse First referral proposal.

Ms. Steinbeck also noted that the Department will not reimburse doctors for giving emergency care to non-emergency cases, although doctors are required to provide care to anyone who presents themselves in an emergency room.

{Tape: 4; Side: A; Approx. Time Counter: 13.2}

Motion: REP. JAYNE moved that HRD DP 67, WITH REPORTING REQUIREMENT, BE ADOPTED.

Discussion:

Responding to **CHAIR KAUFMANN, Mr. Hunter** described the cost avoidance benefits of HRD DP 67.

Ms. Steinbeck discussed the ways in which this DP affects the payment trends upon which future Medicaid caseload estimates are made.

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 15.5}

HRD DP 121 - Indian Health Services
HRD DP 122 - School Based Services

Responding to **SEN. COBB, Mr. Chappuis** clarified details regarding HRD DP 121.

Mr. Hunter discussed excellent tribal Medicaid outreach efforts and the new eligibles drawn into the system.

Motion/Vote: SEN. WEINBERG moved that HRD DP 121 AND 122 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Motion/Vote: REP. MORGAN moved that HRD DP 9999 BE ADOPTED. Motion carried 6-1 by voice vote with REP. KAUFMANN voting no. REP. MCNUTT voted by proxy.

{Tape: 4; Side: A; Approx. Time Counter: 22.5}

Prompted by **SEN. COBB, Mr. Hunter** stated that the division was able to meet targets proposed in last biennium's HRD DP 122, which dealt with School Based Services.

CHAIR KAUFMANN proposed that the Committee delay HRD DP 38 - Manage Medicaid Pharmacy Program, until the Committee receives forthcoming caseload projections.

{Tape: 4; Side: A; Approx. Time Counter: 24.4}

HRD DP 43 - Medicaid Cost Analyst

Motion: SEN. COBB moved that HRD DP 43 BE ADOPTED.

Discussion:

Responding to **SEN. LIND, Mr. Hunter** stated that there was no connection between HRD DP 43 and either PERM or SURS.

{Tape: 4; Side: A; Approx. Time Counter: 28.5}

Substitute Motion: REP. MORGAN made a substitute motion that HRD DP 43, OTO, WITH REPORTING REQUIREMENT, BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Motion: REP. MORGAN moved that HRD DP 44, OTO, WITH REPORTING REQUIREMENT, BE ADOPTED.

Discussion:

Substitute Motion: REP. KAUFMANN made a substitute motion that HRD DP 44, WITH REPORTING REQUIREMENT, BE ADOPTED.

Discussion:

Prompted by **REP. MORGAN, CHAIR KAUFMANN** offered a rationale for her substitute motion, expressing her opinion that HRD DP 44 is significant enough to warrant funding beyond a one-time-only allocation.

Vote: Motion carried 6-1 by voice vote with **SEN. LIND** voting no. **REP. MCNUTT** voted by proxy.

HRD DP 110 - Continuation of Hospital Provider Tax (Requires Legislation)

Ms. Steinbeck noted that HRD DP 110 is connected to SB 120, and also explained that the numbers within the DP have changed.

{Tape: 4; Side: B}

Mr. Hunter provided and discussed a handout offering further information regarding HRD DPs.

EXHIBIT (jhh22a06)

Ms. Steinbeck discussed and clarified hospital provider bed tax issues.

Mr. Bob Olson, MHA, an association of Montana Health Care Providers, gave the Committee further information regarding limits on provider taxes.

At the request of **REP. MORGAN, Ms. Steinbeck** further discussed generation and use of the bed tax.

{Tape: 4; Side: B; Approx. Time Counter: 5.6}

Mr. Andersen offered OBPP comments on HRD DP 110.

Motion: **REP. KAUFMANN** moved that HRD DP 110, CONTINGENT ON PASSAGE AND APPROVAL OF SB 120, WITH THE NEW NUMBERS, BE ADOPTED. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

HRD DP 112 - Expand Nurse First to Non-Medicaid Native American

Ms. Steinbeck stated that HRD DP 112 has been withdrawn from HRD's Decision Packages.

**HRD DP 3009 - Medicaid Biennial
HRD DP 3001 - I-149 for Medicaid Match**

Ms. Steinbeck explained that both of these DPs draw on I-149 funds.

CHAIR KAUFMANN suggested that the Committee delay vote on both of these DPs.

HRD DP 90 - Children's Health Insurance Program (CHIP) Donations

Ms. Steinbeck stated that HRD DP 90 has been withdrawn from HRD's Decision Packages.

HRD DP 115 - Specialty Clinic Cost Recovery

Motion/Vote: **REP. MORGAN** moved that HRD DP 115 BE ADOPTED. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

{Tape: 4; Side: B; Approx. Time Counter: 9.3}

HRD DP 3206 - CHIP Expansion by 3,000 Children

Ms. Steinbeck stated that HRD DP 150 - Restore Children's Therapeutic Services, has been withdrawn and added into HRD DP 3206.

CHAIR KAUFMANN also suggested that the Committee delay votes on these DPs for later vote.

At the request of **REP. MORGAN, Ms. Steinbeck** agreed to discuss her emergency room usage ideas with DPHHS.

Mr. Hunter and **Mr. Olson** commented on Blue Cross Blue Shield, CHIP and emergency room usage.

HRD DP 42 - Enhance Efficiency of Children's Mental Health Services

HRD DP 146 - Develop System of Care for Children

{Tape: 4; Side: B; Approx. Time Counter: 15}

Motion: **REP. KAUFMANN** moved that HRD DP 42, WITH REPORTING REQUIREMENT, BE ADOPTED.

Discussion:

Responding to **SEN. LIND, Mr. Hudson** and **Mr. Chappuis** discussed proposed staff positions for the Kids Management Authority (KMA), and how these staff differed from those tasked to work within adult mental health services.

Vote: Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

Motion: **SEN. COBB** moved that HRD DP 146, WITH REPORTING REQUIREMENT, BE ADOPTED.

Discussion:

Replying to **REP. MORGAN, Mr. Hudson** discussed Federal grant and staffing details related to HRD DP 146. He confirmed that the Federal grant will deplete in six years, at which time communities and the State will have to determine whether or not to continue funding the program of their own means.

Prompted by **SEN. WEINBERG**, who noted language on Page B-169 of the Budget Analysis stating that the Federal grant on which HRD DP 146 is built requires "a 25 percent match, either State or in-kind," **Ms. Steinbeck** defined and discussed "in-kind" match and how the Committee may wish to scrutinize its use in this instance.

{Tape: 4; Side: B; Approx. Time Counter: 22.9 - 30}

Substitute Motion/Vote: **SEN. LIND** made a substitute motion that HRD DP 146, WITH REPORTING REQUIREMENT, AND A FUNDS SHIFT NOTICE IN THE BUDGET DOCUMENT REGARDING A MOVE OF \$50,000 GENERAL FUND

**TO HRD DP 146, BE ADOPTED. Motion carried unanimously. REP.
MCNUTT voted by proxy.**

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. CHRISTINE KAUFMANN, Chairman

LAURA GOOD, Secretary

CK/lg

Additional Exhibits:

EXHIBIT ([jhh22aad0.TIF](#))